

### **Internal Control Assessment Credit Card Training**

#### **Purpose**

To ensure that proper internal controls exist regarding FSA's purchase card program for small purchases.

#### **Background**

The General Service Administration (GSA) is responsible for administering the small purchase card program commonly referred to as the Smartpay program. In accordance with GSA policy for Smartpay, FSA must adequately train its employees that are in the Smartpay program. This includes cardholders, approving officials, Designated Billing Office (DBO) and other FSA staff members who deal with credit card purchases. The training must focus on the following seven key functions of the purchase card program:

- Cardholder – the FSA cardholder is to use the card to buy goods and services for Government official use only;
- Approving Official- assures proper use of the purchase card. This official ensures that the purchase is necessary for accomplishing the mission of the agency;
- Agency/Organization Program Coordinator (A/OPC)- The A/OPC generally serves as the focal point for answering questions, task order administration, establishing and maintaining accounts, and issuance and destruction of cards and also establishes guidelines;
- Transaction Dispute Office (TDO)- This individual serves as the liaison between the Designated Billing Office, the A/OPC and the centrally billed account. The TDO oversees proper processing of transaction disputes and works with the contractor to resolve transaction disputes;

- DBO- Serves as the focal point for receipt of official centrally billed invoices. The DBO oversees the proper processing of invoices and ensures invoices are paid within the Prompt Payment Act timeframes;
- Merchant- The merchant is the entity who the cardholders purchase supplies or services. The merchant may be a Government agency, a non-profit organization, or a private sector entity.
- Purchase Card Contractor- Contractor performs the following key functions:
  - Pays merchants for purchase card transactions;
  - Establishes cardholder accounts;
  - Issues credit cards;
  - Prepares the monthly statement for each cardholder; and
  - Issues invoices to the DBO;

### **Internal Control Standard**

FSA must properly train its employees that are involved in the Smartpay program on Government wide credit card procedures and small purchase regulations.

### **Assessment of FSA's Compliance**<sup>\*</sup>

We reviewed FSA's Smartpay training manual and we discovered that it was incomplete and not kept current. We discovered found out that in the area relating to disputed items, there was no clear guidelines on how to resolve credit card disputes.

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<sup>\*</sup> The actual testing phase including interviews and examination of sampled records has not yet occurred. This write-up is only a sample of what may be discovered during the testing phase of the FMFIA process.